



Entered on Docket  
October 26, 2007

Ri-ji

**Hon. Linda B. Riegle  
United States Bankruptcy Judge**

**LEWIS AND ROCA LLP**  
3993 Howard Hughes Parkway, Suite 600  
Las Vegas, NV 89169-5996  
Facsimile (702) 949-8321  
Telephone (702) 949-8320

Susan M. Freeman AZ State Bar No. 004199  
Email: [sfreeman@lrlaw.com](mailto:sfreeman@lrlaw.com)  
Rob Charles NV State Bar No. 006593  
Email: [rcharles@lrlaw.com](mailto:rcharles@lrlaw.com)  
John Hinderaker AZ State Bar No. 018024  
Email: [jhinderer@lrlaw.com](mailto:jhinderer@lrlaw.com)

*Attorneys for USACM Liquidating Trust*

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:

## USA COMMERCIAL MORTGAGE COMPANY,

## USA CAPITAL REALTY ADVISORS, LLC,

USA CAPITAL DIVERSIFIED TRUST  
DEED FUND, LLC.

USA CAPITAL FIRST TRUST DEED  
FUND, LLC.

USA SECURITIES, LLC,  
Debtors

Case No. BK-S-06-10725-LBR  
Case No. BK-S-06-10726-LBR  
Case No. BK-S-06-10727-LBR  
Case No. BK-S-06-10728-LBR  
Case No. BK-S-06-10729-LBR

CHAPTER 11

Jointly Administered Under Case No.  
BK-S-06-10725 LBR

Date of Hearing: October 15, 2007  
Time of Hearing: 9:30 a.m.

## Affects:

- All Debtors
- USA Commercial Mortgage Company
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA Capital First Trust Deed Fund, LLC
- USA Securities, LLC

1 **ORDER SUSTAINING THE USACM LIQUIDATING TRUST'S OBJECTION TO**  
 2 **CLAIM NO(S). 10725-00615, 10725-00616, 10725-00617, 10725-00647, 10725-00648,**  
 3 **10725-00649, 10725-00676-1 AS AMENDED BY 10725-00676-2, 10725-00699, 10725-**  
 4 **00722, 10725-01634, 10725-01635, 10725-01636, 10725-01637, 10725-01905, 10725-**  
 5 **00756, 10725-00766, 10725-00797, 10725-00798, 10725-01028, 10725-01029 AND**  
 6 **10725-01037 FILED BY MARCIA J. KNOX LIVING TRUST DATED 8/16/04 AS**  
 7 **IMPROPERLY ASSERTING SECURED STATUS**

8 Marcia J. Knox Living Trust Dated 8/16/04 filed Proof of Claim No(s). 10725-  
 9 00615, 10725-00616, 10725-00617, 10725-00647, 10725-00648, 10725-00649, 10725-  
 10 00676-1 as amended by 10725-00676-2, 10725-00699, 10725-00722, 10725-01634,  
 11 10725-01635, 10725-01636, 10725-01637, 10725-01905, 10725-00756, 10725-00766,  
 12 10725-00797, 10725-00798, 10725-01028, 10725-01029 and 10725-01037, which  
 13 asserted a secured claim(s) against USA Commercial Mortgage Company (“USACM”).

14 The USACM Liquidating Trust (the “USACM Trust”) filed its Nineteenth Omnibus  
 15 Objection [DE 3170] (the “Objection”), which challenged Marcia J. Knox Living Trust  
 16 Dated 8/16/04’s assertion of secured status and sought to have the Court reclassify Marcia  
 17 J. Knox Living Trust Dated 8/16/04’s claim(s) as a general unsecured claim(s). The  
 18 Appropriate notice of the Objection was given.

19 Marcia J. Knox Living Trust Dated 8/16/04 filed a Response to the Objection [DE  
 20 3488].

21 The USACM Trust filed its Motion for Summary Judgment Regarding (1)  
 22 Responses to the USACM Trust’s First Through Thirty-Third Omnibus Objections to  
 23 Claims Asserting a Secured Status; (2) Responses to USACM Trust’s First through Third  
 24 Omnibus Objections to Claims Asserting a Priority Status; and (3) Newly Alleged Secured  
 and Priority Claims (the “Motion”) [DE 4291]. The Motion sought summary judgment on  
 the Objection and asked that the Court sustain the Objection. Appropriate notice of the  
 Motion was given to Marcia J. Knox Living Trust Dated 8/16/04.

25 Marcia J. Knox Living Trust Dated 8/16/04 did not respond to the Motion.

1       The Court heard the Motion on October 15, 2007. Marcia J. Knox Living Trust  
2 Dated 8/16/04 did not appear at the hearing to contest the Motion.

3       Based upon the foregoing and good cause appearing,

4       **IT IS HEREBY ORDERED:**

5       1.       Granting the Motion [DE 4291] as it relates to Proof of Claim No(s). 10725-  
6 00615, 10725-00616, 10725-00617, 10725-00647, 10725-00648, 10725-00649, 10725-  
7 00676-1 as amended by 10725-00676-2, 10725-00699, 10725-00722, 10725-01634,  
8 10725-01635, 10725-01636, 10725-01637, 10725-01905, 10725-00756, 10725-00766,  
9 10725-00797, 10725-00798, 10725-01028, 10725-01029 and 10725-01037 filed by  
10 Marcia J. Knox Living Trust Dated 8/16/04;

11       2.       Sustaining the Nineteenth Objection [DE 3170] as it relates to Proof of  
12 Claim No(s). 10725-00615, 10725-00616, 10725-00617, 10725-00647, 10725-00648,  
13 10725-00649, 10725-00676-1 as amended by 10725-00676-2, 10725-00699, 10725-  
14 00722, 10725-01634, 10725-01635, 10725-01636, 10725-01637, 10725-01905, 10725-  
15 00756, 10725-00766, 10725-00797, 10725-00798, 10725-01028, 10725-01029 and 10725-  
16 01037 filed by Marcia J. Knox Living Trust Dated 8/16/04; and

17       3.       Reclassifying Proof of Claim No(s). 10725-00615, 10725-00616, 10725-  
18 00617, 10725-00647, 10725-00648, 10725-00649, 10725-00676-1 as amended by 10725-  
19 00676-2, 10725-00699, 10725-00722, 10725-01634, 10725-01635, 10725-01636, 10725-  
20 01637, 10725-01905, 10725-00756, 10725-00766, 10725-00797, 10725-00798, 10725-  
21 01028, 10725-01029 and 10725-01037 filed by Marcia J. Knox Living Trust Dated

22

23

24

25

26

1 8/16/04 as a general unsecured claim(s) subject to further objection by the USACM  
2 Liquidating Trust.

3 # # #

4 PREPARED AND SUBMITTED:

5 **LEWIS AND ROCA LLP**

6 By: /s/ RC (#0006593)  
7 Susan M. Freeman (pro hac vice)  
Rob Charles  
8 John Hinderaker (pro hac vice)  
9 *Attorneys for USACM Liquidating Trust*

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

1 CERTIFICATION OF COUNSEL PURSUANT TO LOCAL RULE 9021

2 In accordance with Local Rule 9021, the undersigned certifies:

3  The Court waived the requirements of LR 9021.

4  I have delivered a copy of this proposed order to all counsel who appeared at the  
5 hearing, any unrepresented parties who appeared at the hearing, and any trustee  
6 appointed in this case, and each has approved or disapproved the order, or failed  
7 to respond, as indicated below:

8  approved the form of this order;

9  waived the right to review the order;

10  failed to file and serve papers in accordance with LR 9021(c); and/or

11  failed to sign and return this proposed order within five (5) business days  
12 in accordance with LR 9021(b).

13  I have delivered a copy of this proposed order to all attorneys and unrepresented  
14 parties who appeared at the hearing regarding this matter and/or who filed a  
15 written objection and all have either approved the form of this order, waived the  
16 right to review the order, failed to file and serve papers in accordance with LR  
17 9021(c) and the following have disapproved the form of the order.

18  No opposition was filed and no other party or counsel appeared at the hearing.

19 **LEWIS AND ROCA LLP**

20 By: /s/ RC (#0006593)

21 Susan M. Freeman

22 Rob Charles

23 *Attorneys for USACM Liquidating Trust*

24

25

26